



***Corporate Services – Health & Safety on
Property Services Capital Projects Audit
Report***

June 2018

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1.0 Management Summary

Audit Services has completed an audit of Corporate Services – Health & Safety on Property Services capital projects. The focus of our review was to determine whether adequate controls are in place and designed to help ensure contractors remain vigilante of related health and safety risks to minimize potential exposures. The review included:

- Assessing the level of importance assigned to health and safety in prequalification documents.
- Determining if the required health and safety related documents were collected for five closed capital projects as per the Human Resources - Contractor Constructor Safety Policy (Policy) and Contractor Constructor Program and Safety Guideline (Guideline).
- Reviewing capital delivery project attendance and the necessary training offered by Human Resources.
- Attendance at five active capital projects with the Contactor Safety Specialist to observe how the Region assists the contractor in remaining aware of potential health and safety issues.

Our audit was conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing*.

Based on the audit work performed, we conclude that overall there is a sufficient level of internal controls for the management of health and safety related risks in Property Services capital projects.

Opportunities to strengthen internal controls and processes have also been identified. These included:

- Ensuring all the necessary documents are collected as per the Contractor / Constructor Safety Guideline.
- Relevant personnel attend the Contractor Safety Construction Projects course offered by Human Resources as a refresher to the collection of documentation and their importance.
- Updating the Contractor / Constructor Safety Policy and Guideline.

Strengths noted during the audit included:

- Potential bidders for Property Services capital projects are prequalified to help ensure their experience and health & safety processes are adequate.
- Currently there is a project underway in Property Services to provide a more structured environment in eDOCS to store documents collected during project phases and to help ensure all relevant documents are available when required.
- The Human Resources Contractor Safety Auditor periodically visits Property Services capital project sites to help ensure projects are being delivered in a manner that keeps the health & safety of the public, contractor and Region employees in the forefront.

The observations in this report have been discussed with Property Services and Human Resources Services management, who have provided us with their comments and who have agreed to take the necessary action to implement the recommendations.

Should the reader have any questions or require a more detailed understanding of the risk assessment and sampling decisions made during this audit, please contact the Director, Audit Services.

Audit Services would like to thank Property Services and Human Resources Services staff and management for their co-operation and assistance provided during the audit.

2.0 Introduction

The Capital Delivery and Engineering unit of the Property Services Branch is responsible for the planning, design, development, construction and commissioning of all building facility projects being developed by the Region.

These projects include the construction of new facilities, renovations and rehabilitation of existing facilities, security systems design and implementation, and accessibility planning and implementation.

Staff in the Capital Delivery and Engineering unit is responsible for the project management of corporate initiatives as well as client based projects related to the space and accommodation requirements of all the Region's departments.

At the time of our audit, the total budgeted value of the 16 active capital projects in the process of being delivered by Property Services was approximately \$131.9 million, which includes the Annex worth \$98.3 million.

The Contractor / Constructor Policy was established to promote hazard awareness and outline York Region's expectations for occupational health and safety as it relates to contractors / constructors. The expectation of the Policy and the accompanying Guideline is that the health and safety of everyone will be respected. Contractors / constructors are expected to establish a safe and healthy workplace and comply with all applicable legislation while working on behalf of the Region.

The contractor / constructor has the ultimate responsibility for the health and safety of everyone on the job site, whether their own employees, subcontractors or Region employees. The role of the Contractor Safety Specialist is to assist, through the performance of field audits, in helping to ensure the contractor / constructor is achieving the expectation of respecting the health and safety of all parties. When situations arise where this expectation may not be met, the Contractor Safety Specialist formally advises the contractor / constructor for rectification.

Audit Services attended five active capital project sites to observe the Contractor Safety Specialist audit process. Sites were toured with the Site Supervisors and hazards notice on the tour were identified and discussed. Field Audit Reports were prepared by the Contractor Safety Specialist and emailed to project and contractor management. Most identified hazards were addressed by the next day. Within five business days all hazards had be adequately addressed.

To deliver a capital project the Property Services Branch prequalifies potential bidders by providing them with high level project specifications for the proposed work. Interested potential

bidders are then required to submit information relating to their experience in similar projects, individual personnel experience and health & safety documentation. Starting in January 2018 potential bidders are required to be Certificate of Recognition (COR™) registered. In January 2020, potential bidders will be required to be COR™ certified.

COR™ is a tool that is used by employers to assess their health and safety management system. It is currently being used across Canada and is a pre-qualification requirement for many contractors working on public and private sector projects.

Respondents who prequalified are then provided more details to the capital project and asked to bid to complete the work.

Before the work begins, the Policy and Guideline requires the submission of a number of health and safety related documents that are to be signed by the bidder and collected by Region. These documents cover health & safety concerns including assigned responsibilities, health & safety requirements, hazard assessments and workplace insurance.

Once a capital project has commenced, the Region's Contractor Safety Specialist will attend the pre-construction meeting and may also attend progress meetings. The Contractor Safety Specialist will also visit and audit worksites for health and safety related risks. At the conclusion of the visit, a Field Audit Report for Construction Projects is left with the contractor and Project Manager to address any noted observations.

The contractor is responsible for correcting observations to the requirements of the Ontario Health & Safety Act and other related legislation, and notifying the Region of the corrections.

3.0 Objectives and Scope

The objectives of this engagement were to:

- Determine what requirements exist for health & safety on Property Services capital projects.
- Determine what documentation is required to be produced by the Region and by the contractor, and are those documents produced and collected if necessary.
- Determine how the capital projects are monitored for health and safety.

The audit objectives were accomplished through:

1. Interviews with those individuals responsible for determining the health and safety requirements for Property Services capital projects.
2. A review of Property Services contract documents to determine if health and safety responsibilities are clearly indicated.
3. A review of health and safety documentation produced and / or collected.
4. Attendance at project sites to observe adherence to health and safety requirements.

4.0 Detailed Observations

4.1 Property Services continue implementing a workable solution to govern the filing of capital project documentation

Observation

The present eDocs filing structure for capital project electronic files (which includes health & safety documentation collected from the contractor) is not based on a predetermined filing structure. Thus health & safety documentation may not be easily located. It is also possible that documentation could reside in other formats or areas, i.e. paper files, c: drives, g: drives or emails.

The Property Services Branch is currently working on a branch-wide project to develop an eDocs filing structure based on each operations requirements. The filing structure will also capture requirements for health & safety documentation filing for capital projects.

Recommendation

Property Services should continue identifying and implementing workable solutions to create a capital project filing structure for project documentation.

Management Response

Property Services:

Property Services will continue to develop project filing structure in 2019. Specifically for the H&S documents, the filing structure will be ready for testing by the end of Q2, 2019, with full implementation by the end of Q3 2019.

4.2 Health & safety documentation should be collected as per the Contractor Constructor Safety Policy and Guideline, and the Contractor Safety Specialist should be notified of capital projects as per the Policy and Guideline

Observation

Our review of five recently closed capital projects highlighted that the majority of the documents required as per the current Policy and Guideline are not being collected.

One of the capital projects reviewed related to an emergency purchase. As per discussion with personnel, the overriding focus for the emergency project becomes to accomplish the work required as soon as possible and minimize the disruption being caused. The collection of documentation is by-passed.

We also observed that the Contractor Safety Specialist may not always be notified for smaller projects in terms of budget and project time duration.

The Policy and the Guideline do not contain a dollar or time threshold to be used when deciding whether or not a notification should be sent to the Contractor Safety Specialist.

Not collecting the necessary health & safety documentation before a capital project starts could increase the potential for an accident to happen if hazards haven't been communicated. This could also impact the potential liability to the Region.

Recommendation

For non-emergency capital projects, management should reiterate the requirement to collect health & safety documentation.

For emergency purchases a process should be established that would allow for a quicker collection of the necessary health & safety documents as listed in the Policy and Guideline so as to help minimize the risk of accidents happening.

The Contractor Safety Specialist should be notified of projects as per the Policy and Guideline.

Management Response

Property Services:

Beginning in Q4 2018, the Manager of Capital Delivery and Engineering will reiterate in team meetings the requirement to collect Health & Safety documentation and to notify the Contractor Safety Specialist of construction kick off meetings, in accordance with the Policy and Guideline. By the end of Q3 2019, Property Services will create, test and implement a methodology that will allow quicker collection of necessary Health & Safety documents during emergency purchases.

4.3 Attendance at HS0076 Contractor Safety Construction Projects course would help to reaffirm health & safety documentation collection

Observation

A review of attendees for course number HS0076 - Contractor Safety Construction Projects indicated that five of the 17 members in the Property Services Capital Delivery group had not yet attended the course. All other members of this group attended the course almost 4 years ago.

The course is intended for employees involved in the Region's Construction Safety Auditing Process. It's target audience includes project managers, construction administrators, inspectors and coordinators. Part of its coverage includes documents to be collected prior to work commencing on a capital project.

Recommendation

Based on the collection of documents testing results, management should consider a refresher course (HS0076 - Contractor Safety Construction Projects) that may be useful to reaffirm the health & safety documentation needing to be collected and why the Region collects them.

Management Response

Property Services:

The course is now available on line. By the end of Q2 2019, all Property Services Branch staff that oversee construction activities will take the refresher course, HS0076 Contractor Safety – Construction Projects.

4.4 The Standard Operation Procedures (SOP) for the Construction Safety Audit Process should be updated

Observation

The SOP for the Construction Safety Audit Process, last revised February 2015, should be reviewed to re-evaluate cited processes to current practices.

Site Audits

A review of the SOP noted that it is not clear as to when site audits are to be performed and if those audits are by request only. As per the Contractor / Constructor Safety Toolkit on the Region's portal, site visits are unannounced.

Current practice is to attend project sites at least once when possible, without a request.

Pre-Construction / Kick-off Meetings and Project Progress Meetings

Attendance at Pre-Construction / Kick-off meetings by the Contractor Safety Specialist is to help ensure all required health and safety related documentation is signed and returned by the general contractor before the work commences, and, to increase awareness of site hazards. It also allows the Contractor Safety Specialist to ask questions about the scope of the work, duration and how they will perform the work safely.

We noted that the Contractor Safety Specialist may not attend all Pre-Construction / Kick-off meetings. Usual practice is to attend meetings when possible.

We also noted that for smaller contracts or contracts of a shorter duration, the Contractor Safety Specialist may not be notified of the project. A review of the SOP did not indicate that these smaller projects do not require notification to the Contractor Safety Specialist.

Attendance at Project Progress Meetings is to assist the Region's Project Management Team in reviewing and following up with Site Audit Reports with the general contractor.

General contractor responses from Site Audit Reports are usually dealt with via email with the Contractor Safety Specialist.

Follow-up

The cited follow-up process for Site Audits does not occur as described. As per the current process, the Project Management Team is responsible for any resolutions required from the contractor and keeps the Contractor Safety Specialist up-to-date. During our review of active and closed projects, the Contractor Safety Specialist is performing this role.

Recommendation

The SOP for the Construction Safety Audit Process should be updated to reflect current practises in place.

Management Response

Human Resources Services:

The SOP will be updated and finalized in Q1, 2019. Corresponding revisions to the Contractor /Constructor Guideline and Construction Safety Audit documents will be made. These revisions have already been incorporated into the newly developed online Contractor Safety for Construction Projects course, which will become available to employees in November 2018 and replace the former classroom course noted in the audit report (HS0076).

4.5 Management should consider implementing tablet based software into the Construction Safety Audit Process to provide formal Site Audit reporting and project risk assessments

Observation

The Construction Safety Audit Process is currently a paper based activity making the use of historical data collected during site audits a labour intensive activity. This data cannot be used proactively to quickly provide higher level information for management reporting and planning purposes. Observations made during the audit cannot be linked to general categories or to a type of work or a contractor, in order that a useful history can be developed to determine how many audits to schedule for a project.

Management could potentially also use this software to manage contractor health and safety performance for service-level contracts.

Recommendation

Management should consider the incorporation of tablet based software to capture the construction safety audits performed by the Region. This data can then be used for management reporting and planning purposes.

Management Response

Human Resources Services:

The Workplace Health, Safety, Wellness & Benefits division will investigate software options by Q3, 2019 to improve availability of construction safety audit reports, data and insights; and partner with Capital Division partners in Property Services, Transportation and Environment for their input before confirming a recommendation.

4.6 The Contractor / Constructor Safety Policy & Guideline should be updated

Observation

The Policy and Guideline were last updated January 2007 and November 2006 respectively. An outdated policy and guideline can result in corporate requirements not being met, documents not being collected and an incomplete project file.

The observation to update these documents was noted in a previous audit report dated April 2016 - Transportation Services - Health & Safety on Roads Capital Projects. Our recommendation at that time was:

Corporate Services - Human Resources management should continue its projects to update the Contractor / Constructor Safety Policy & Guide.

Management responses at the time of our Outstanding Audit Recommendations Follow up dated January 2018 stated that this project was completed in Q3 2017:

Desired changes of enhanced Contractor Safety Program achieved through implementation of the Certificate of Recognition (CORTM) safety program, endorsed by the IHSA, as a requirement on future Regional construction projects with an estimated value in excess of \$150,000.

Recommendation

The Policy and Guideline should be updated to reflect current corporate processes and document collection requirements. Once management approval has been obtained, the updated policy should be posted on the intranet with the necessary hyperlink to the updated guide. All affected staff should be made aware of the update. This will help to ensure corporate process and documentation requirements continue being met.

Management Response

Human Resources Services:

The Policy and Guideline updates will be finalized in Q1, 2019. The intent of the program is to provide guidance to construction contractors on Regional projects with respect to health and safety. Educating our contractors on Regional processes and expectations is key to the prevention of incidents and mitigation of risk.

York Region's Approval Process for New Policies and Major Policy Changes will be adhered to in completing this recommendation.

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